Government of Saskatchewan

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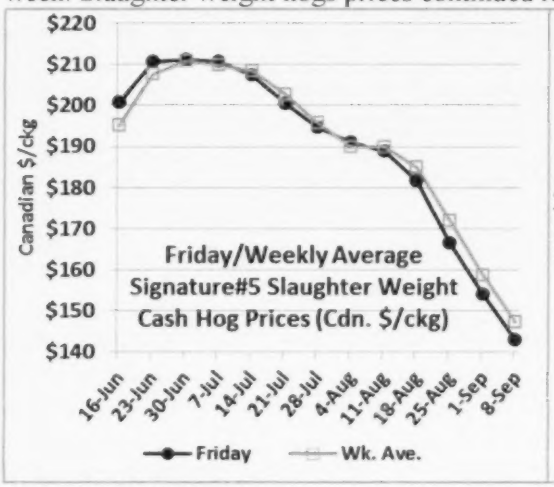
Weekly Hog Report

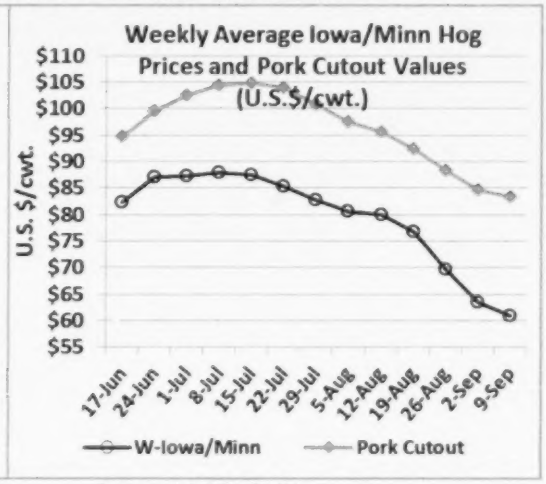
September 11, 2017

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (Iowa/Minn) continued lower last week to end the week down, week-over- week. Hog prices on Friday September 8 averaged US$58.62 per cwt, down US$3.66 per cwt or 5.9 per cent from US$62.28 per cwt the previous Friday. The negotiated weekly base price last week averaged US$60.91 per cwt, down US$2.46 per cwt from US$63.37 per cwt the previous week. Slaughter weight hogs prices continued lower on seasonal weakness.



Source: HAMS Marketing

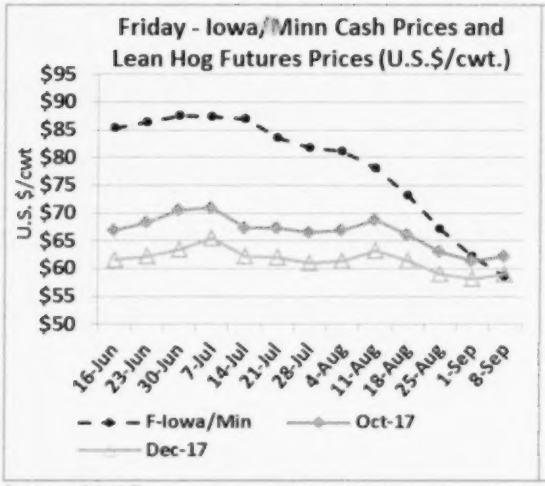


Source: LMIC, CME

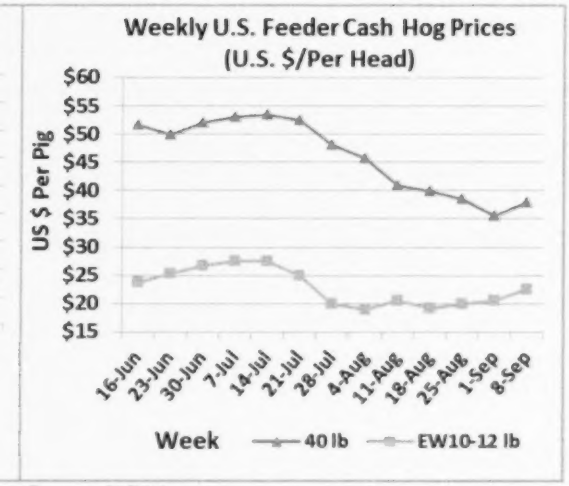
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday September 8, 2017 was $142.78 per ckg, down $11.07 per ckg or 7.2 per cent from $153.85 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $147.10 per ckg, down $11.55 per ckg or 7.3 per cent from the previous weeks' average price of $158.65 per ckg. The Canadian dollar moved higher form the previous week as the Bank of Canada raised the bank rate by a quarter of a percentage point. The Canadian dollar compared to the U.S. dollar settled last Friday at 82.43 cents, up 1.72 cents from 80.71 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were mixed last week with good gains on Tuesday followed by big losses Thursday but still edged higher, week-over-week. The October lean hog futures contract increased US$0.700 per cwt to settle last Friday at US$62.150 per cwt; while the December contract increased US$1.000 per cwt to settle last Friday at US$59.050 per cwt.



Source: LMIC



Source: USDA

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$22.54 per head, up US$2.01 per head or 9.8 per cent from US$20.53 per head the previous week. Feeders (40lb) averaged US$37.86 per head, up US$2.32 per head or 6.5 per cent from US$35.54 per head, the previous week.

Iowa cash corn prices settled last Friday at US$3.06 per bushel, up four cents from US$3.02 per bushel the previous Friday. Daily corn futures were mixed over the week but had more gains then losses to help corn futures edge higher, weak-over-week. The September corn contract increased 4¼ cents per bushel to settle last Friday at US$3.44¼ per bushel, while the December contract increased 1½ cents to settle last Friday at 3.56 ¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the shorter week (U.S. Labor Day) ending September 9 were estimated at 2.170 million head, down 6.3 per cent from 2.315 million head the previous week, but up 4.0 per cent from 2.086 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.291 million head, up 2.8 per cent from 2.228 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending Sept. 2, 2017 were estimated at 418,800 head, down 0.3 per cent from 420,180 head the previous week, but up 1.3 per cent from 413,299 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 407,240 head, down 1.2 per cent from 412,054 head over the same period a year ago. Year-to-date, Canadian hog slaughter numbers totaled 14,419,775 head, up 1.9 per cent from the same period a year ago. (Source: AAFC/CFIA)

Meat Production

U.S. pork production for the shorter week (U.S. Labor Day) ending September 9, 2017 was estimated at 450.2 million lb., down 6.1 per cent from 479.3 million lb. the previous week, but up 4.4 per cent from 431.2 million lb. the same week a year ago. Pork production over the last four week's ending September 9 was estimated to average 475.2 million lb., up 3.0 per cent from 461.3 million lb. over the same four week period a year ago.

U.S. beef production for the shorter week ending September 9 was estimated at 454.0 million lb., down 10.6 per cent from 507.9 million lb. the previous week, but up 4.0 per cent from 436.6 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending September 2, 2017, was estimated to average 2.132 billion lb., up 1.5 per cent from 2.101 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is also estimated to be up 2.0 per cent compared to the same period in 2016.

United States Weekly Meat Production

(Sept. 2) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	469.7	481.0	2.4%	2.7%
Beef	497.2	518.9	4.4%	4.4%
Chicken	1,000.4	1,001.2	0.1%	0.8%
Turkey	133.7	130.8	-2.1%	0.1%
Total	**2,100.8**	**2,131.9**	**1.48%**	**2.04%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending September 9, 2017 averaged US$83.32 per cwt, down US$1.22 per cwt or 1.4 per cent from US$84.54 per cwt the previous week, but up 3.1 per cent from US$80.82 per cwt from the same week a year ago.

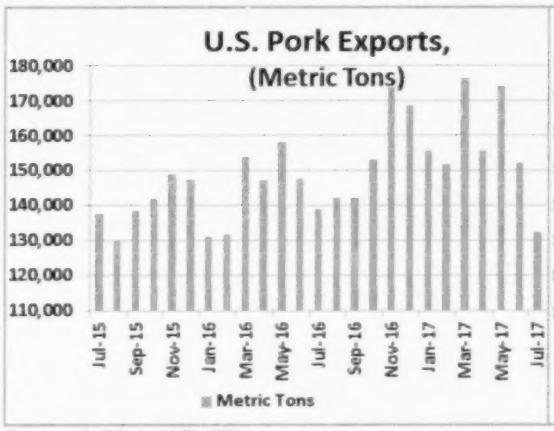
Choice beef cutout prices (600-900 lb.) for the week ending September 9, 2017 averaged US$192.35 per cwt, up US$0.70 per cwt or 0.4 per cent from US$191.65 per cwt the previous week, and up 1.5 per cent from US$189.49 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending September 9, 2017 averaged US$144.02 per cwt, up slightly from US$144.00 per cwt the previous week, and up 2.3 per cent from US$140.77 per cwt the same week a year ago.

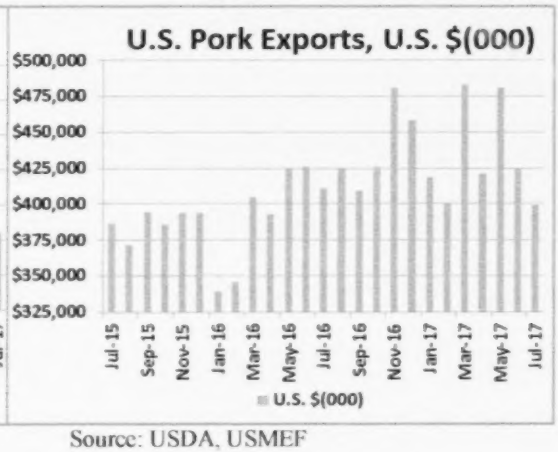
United States Pork Exports

United States pork exports in July 2017 were weaker than previous months. United States exported 132,304 metric tons of pork in July 2017, down 13.0 per cent from 152,067 metric tons in June 2017, and down 4.7 per cent from 138,801 metric tons in July 2016. U.S. pork exports by volume for July 2017 versus 2016 were higher to Mexico (+7.9%) and South Korea (+19.1%); but lower to China/Hong Kong (-58.3%) and Japan (-8.5%).

By dollar amount, U.S. pork exports in July 2017 were US$399.3 million down 6.1 per cent from US$425.3 million in June 2017, and down 2.9 per cent from US$411.2 million dollars in July 2016. Year-to-date, U.S pork exports were $3.029 billion, up 10.4 per cent compared to the same period a year ago.



Source: USDA, USMEF



Source: USDA, USMEF

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Provincial Livestock Economist
(306) 933-5098
brad.marceniuk@gov.sk.ca